

AFFORDABLE HOUSING RIVER RESTORATION COMMUNITY & POLICE RELATIONS
201 MARKET STRONG STREETS VITAL ECONOMIC DEVELOPMENT CALDER PLAZA BALANCE & DISTRIBUTION
VISION MOBILITY
COMMUNICATIONS
DEVELOPMENT ENVIRONMENT RACIAL STORMWATER STREET LIGHTING SYSTEM
TREE MAINTENANCE EQUITY COMMUNITY
LEGACY THIRD WARD INVESTMENT STORMWATER COMMUNITY
COSTS TRANSIT STOPS ENGAGEMENT

CITY OF GRAND RAPIDS FINAL FISCAL PLAN FY2019-2023



Introduction

- The State of Michigan Public Act 2 of 1968 (as amended) known as the “Uniform Budgeting and Accounting Act” requires that governmental units adopt an annual budget.
- The City has fully complied with Public Act 2 and has been awarded the “Distinguished Budget Presentation Award” by the Government Finance Officers Association (GFOA) for the past 30 years.
- The annual budget is developed within the context of a five-year plan. Five years encompasses a sufficient time frame that will demonstrate the consequences of trying to fund ongoing expenditures with one-time revenues. The long range modeling helps to alert the City to future problems that may be created by decisions made today.
- Balancing the Budget. The City must live within its means. The City is supported by various financial resources and must function within the limits of these resources each fiscal year.

What’s Inside

- About the City
- Budget Basics
- Revenues
- Expenses
- Asset Management
- Authorities
- Personnel

A handwritten signature in black ink, appearing to read "Jeff Dood".

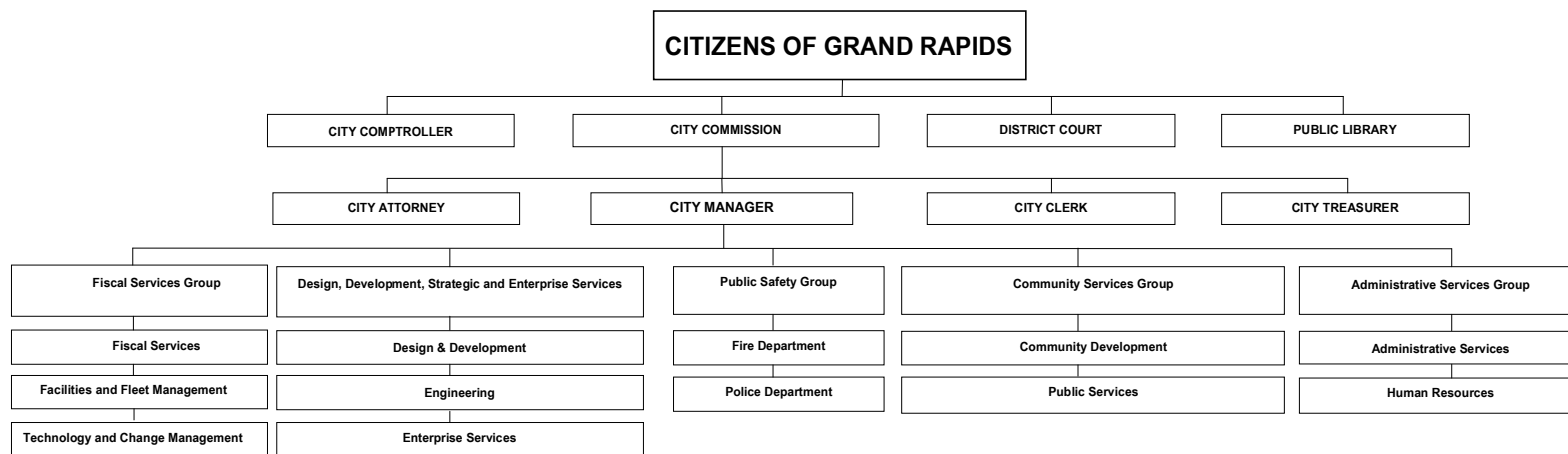
Jeff Dood
Chief Financial Officer

QUICK FACTS

- Form of Government: Commission – Manager
- First incorporated in 1838
- 2nd largest city in the State of Michigan
- Population: 198,800
- Land Area: 44.4 square miles
- Tax Base:
 - Income Tax
 - .75% (Non-Resident) 1.5% (Resident)
 - Property Tax
 - \$4.6 billion of taxable value
- Diverse employer base
- Extensive cultural, entertainment and recreational opportunities
- July 1 – June 30 fiscal year

The City's Mission

The City of Grand Rapids believes in the dignity and worth of all people and in the right of every citizen to have equitable access to the benefits of urban life. We believe in the rights of all citizens to express their views and the responsibility of the City government to respond to those views. As government representatives, we will help shape the future to assure that the City will continue to be a place where the benefits of urban life can be enjoyed.



Budget Basics

Process:

- Revenue forecasts
- Personnel labor cost projections
- Departments submit five year budget requests
- Budget review meetings with the Executive Team
- Capital funding request review
- Preliminary Fiscal Plan delivered in April
- City Commission conducts several study sessions
- Public hearing first Tuesday in June
- City Commission approval second Tuesday in June
- Budget amendments as needed throughout the fiscal year

Asset Management

- Capital Improvement
 - Multiple funding sources
 - 4.5% Income Tax set-aside
 - City, Village & Township revenue sharing
- Streets Capital
 - Vital Streets income tax extension
 - GOF supplemental funding (\$13 million over 15 years)
 - Additional State investment approved (\$3 million in FY2017; \$1.5 million in FY2018)
- Parks Millage
 - Seven year capital investment plan
 - GOF Maintenance Of Effort (MOE) required
 - FY2019 MOE - \$6.2 million

Budget Guidelines:

- Balancing the budget
 - The City must live within its means
- Five year budgeting
- Spending authority assumes a budgetary lapse to account for partial year of unfilled positions
 - Amount differs by fund; \$4.0 million in GOF
- Contingencies
 - Provides funding for unanticipated or unforeseen events - \$1.7 million in FY2019
- Fund Balance & Unrestricted Cash policy requirements
 - General Operating Fund (GOF)
 - 15% of current spending in GOF
 - 10% of current spending in GOF reserved in the Budget Stabilization Fund
 - Other funds
 - 15% or 25% depending on fund type
- Modest income tax revenue growth based upon current trends and economic indicators
- Very slow property tax revenue growth. Growth in tax revenue mainly due to new investment, not property appreciation



FY2019 Fiscal Highlights

- Our community engaged in the hard, collaborative work of improving community and police relations, and we have begun to earn important results. The Police Policy and Procedure Review Task Force promises to deliver key recommendations to help move us forward together.
- Housing NOW! implementation demonstrated our community's commitment to making a local difference in what has become a complex national problem.
- Through Parks Millage investment, we continued to redevelop our park system.
- Our new website created an improved platform for citizens to access services and information, serving as a model for other cities.
- Vital Streets investment continued according to investment guidelines with positive results.
- The data shows we, as a community, have a lot of work to do to address disparities in our city. We are actively engaged in the planning and staff training required to make progress in this important work. That has included seeking to develop and deploy a both/and strategy by working to reduce disparities, continuing to use proven tools that have produced jobs and investment and finding ways to blend the two wherever possible.
- Our FY2018 financial performance was solid. Net operating results in the General Operating Fund increased our fund balance reserves to a record 22.5% and our Budget Stabilization Fund balance to 10.7%. This growth was fueled by strong operating results and tight expenditure control. Creating net operating margin has enabled us to invest in our mission and secure our future.

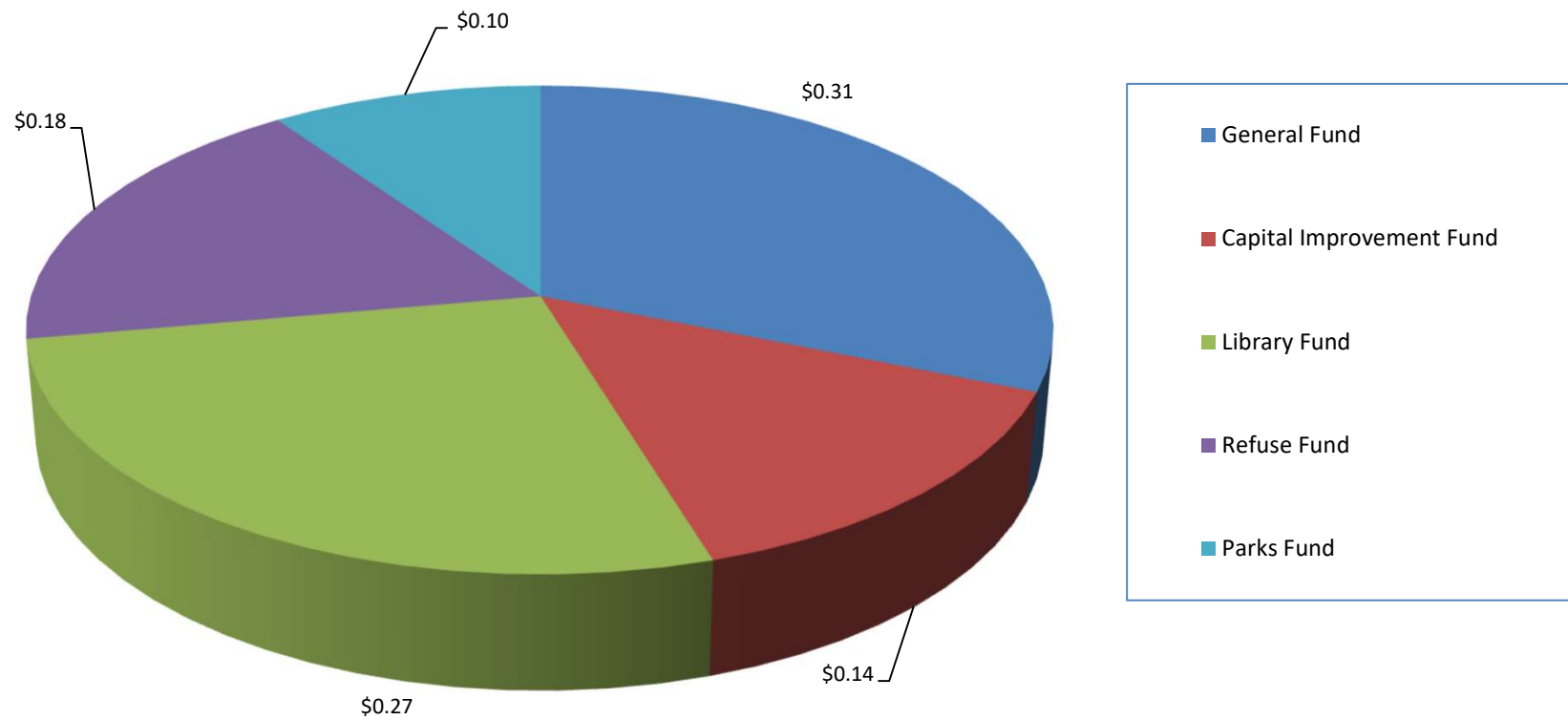
FY2019 Fiscal Highlights

City Commission Priorities - Outcomes	
• Communications	• Affordable Housing
• Community and Police Relations	• OPEB Legacy Costs
• Community Engagement	• Implementing the Racial Equity Toolkit
• Certainty in the Development Environment	• Comprehensive Economic Development Vision

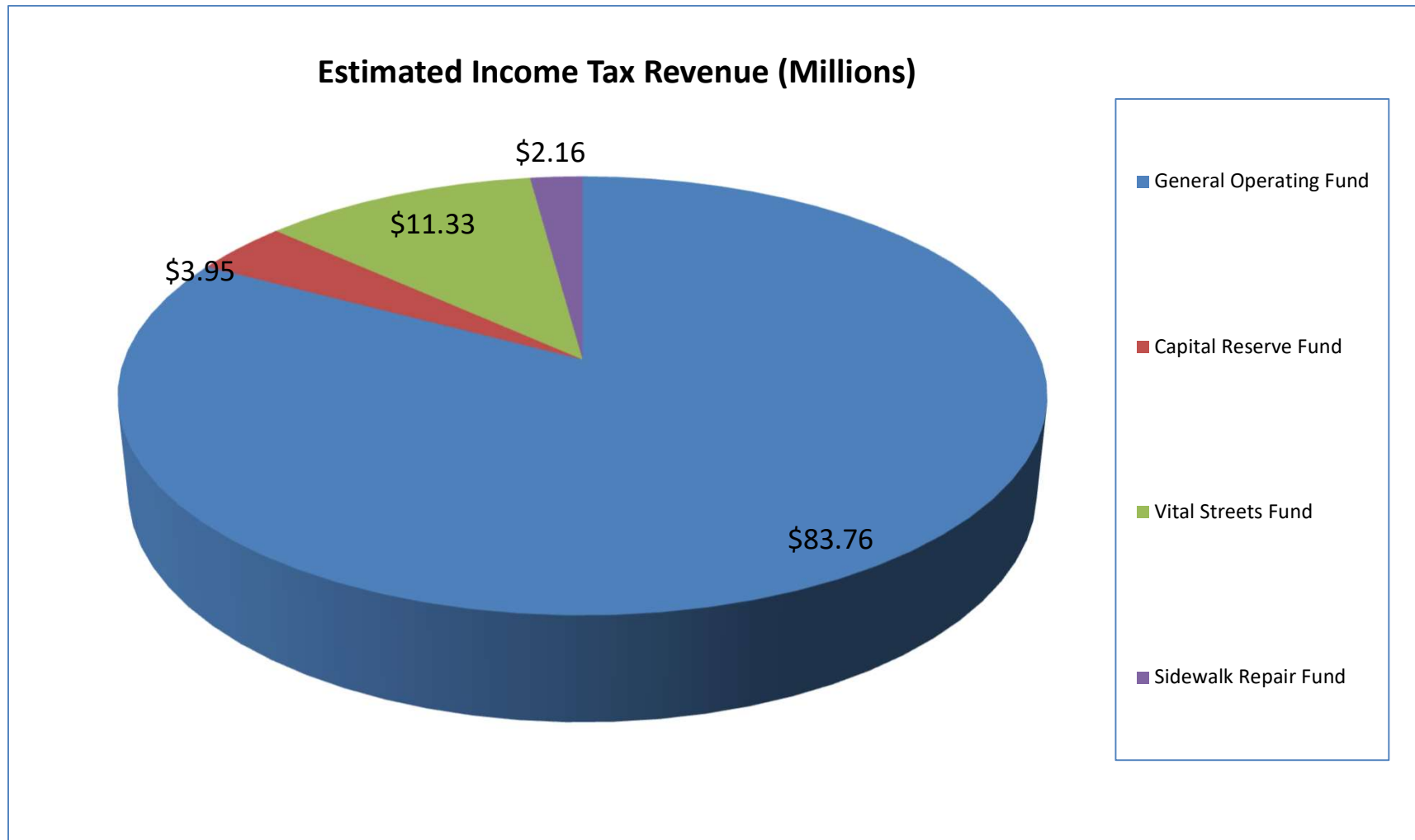
City Commission Priorities - Capital	
• Third Ward Investment	• Street Lighting System
• River Restoration	• Tree Maintenance Phase II
• 201 Market Relocation	• Transit Stops
• Calder Plaza	

Property Tax Distribution

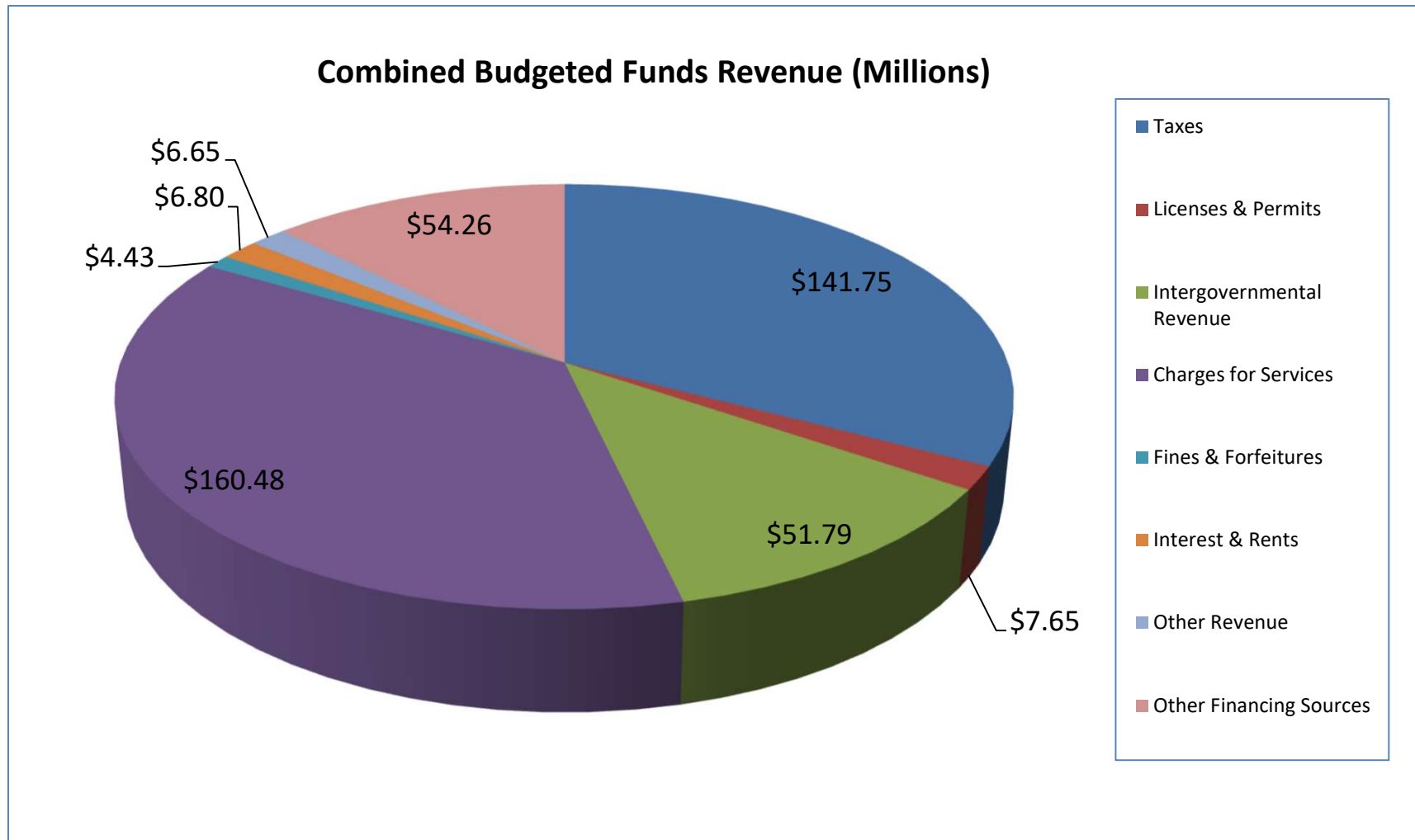
City of Grand Rapids Property Tax Revenue Allocation for Every Dollar Collected



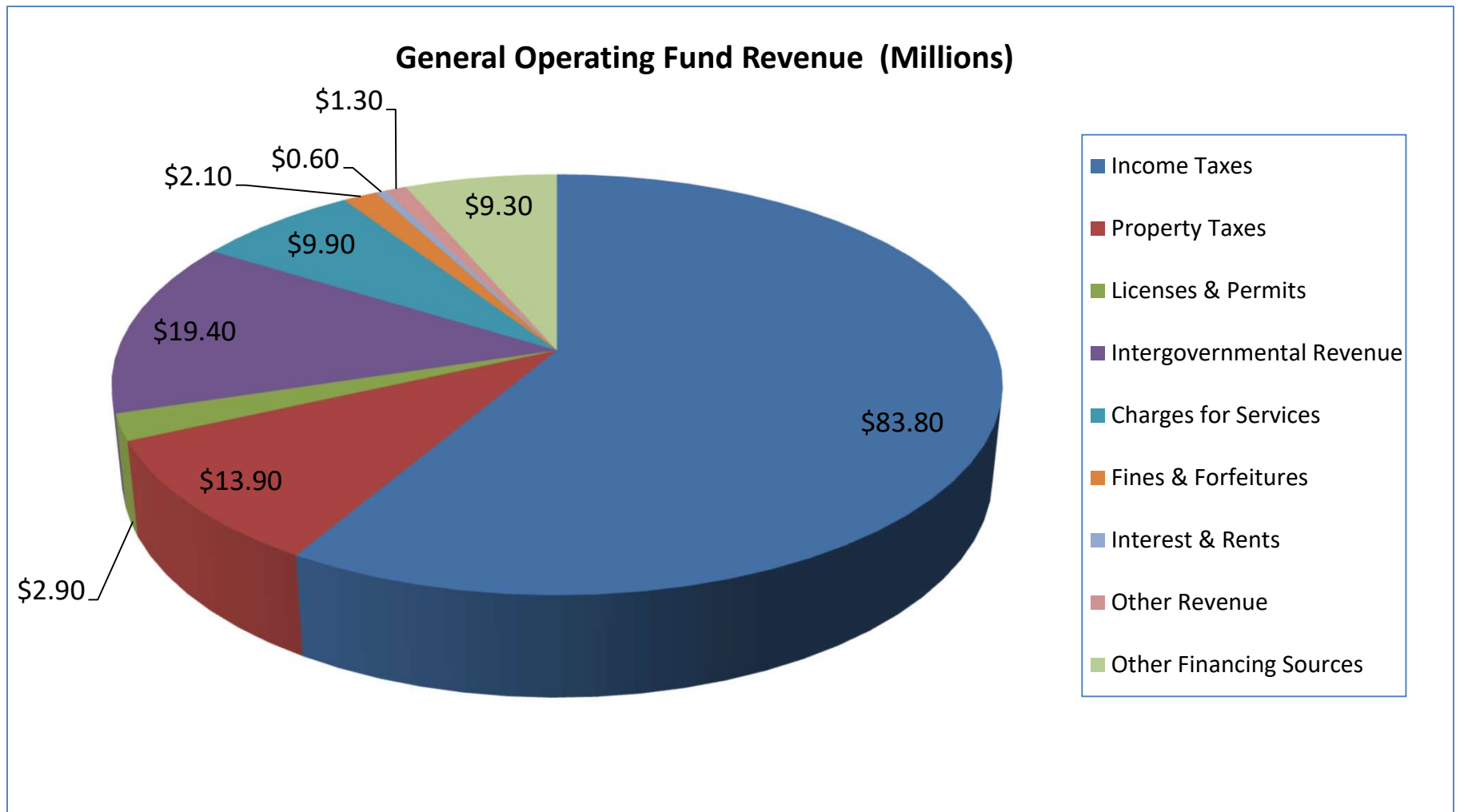
Income Tax Allocation



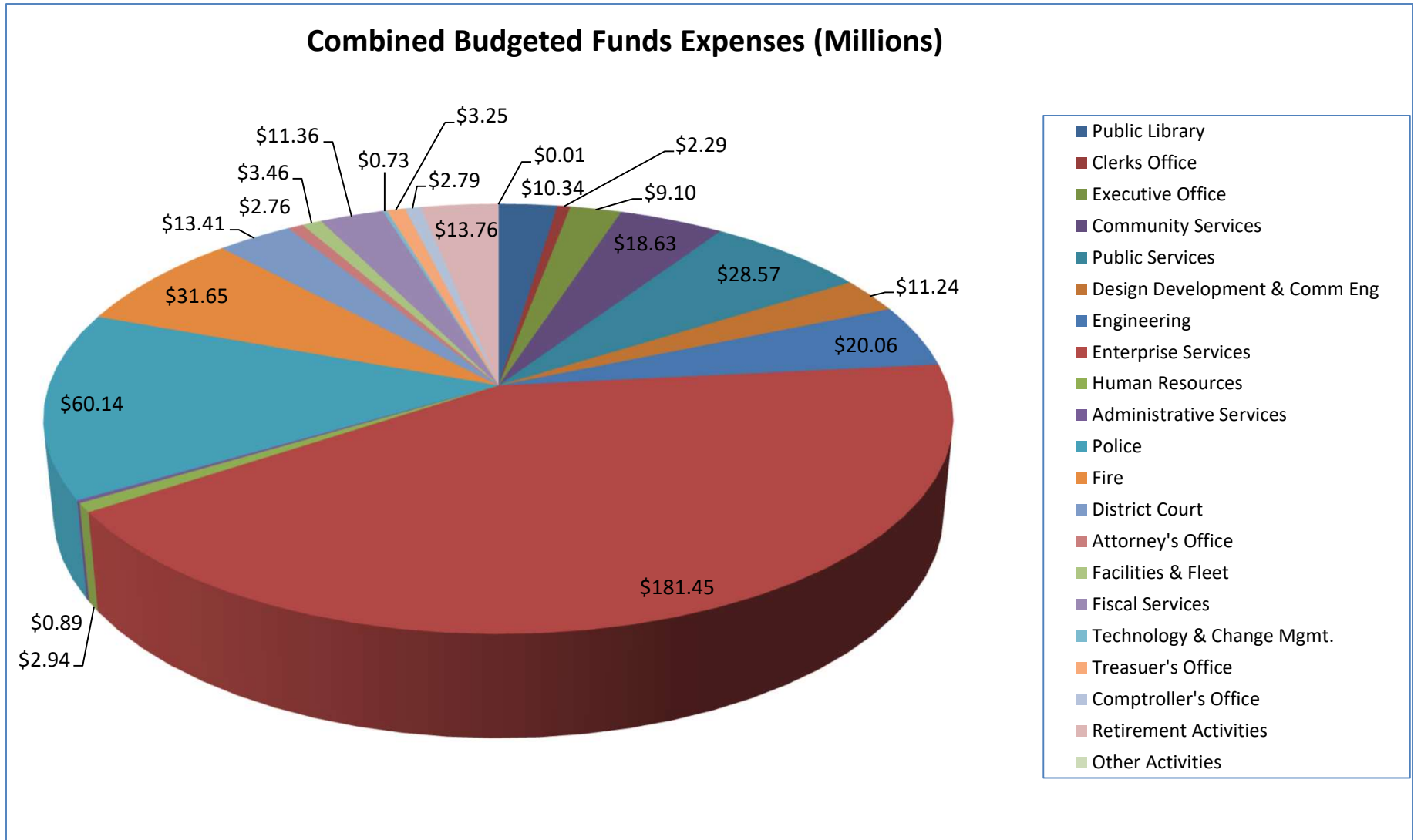
Citywide Total Revenues



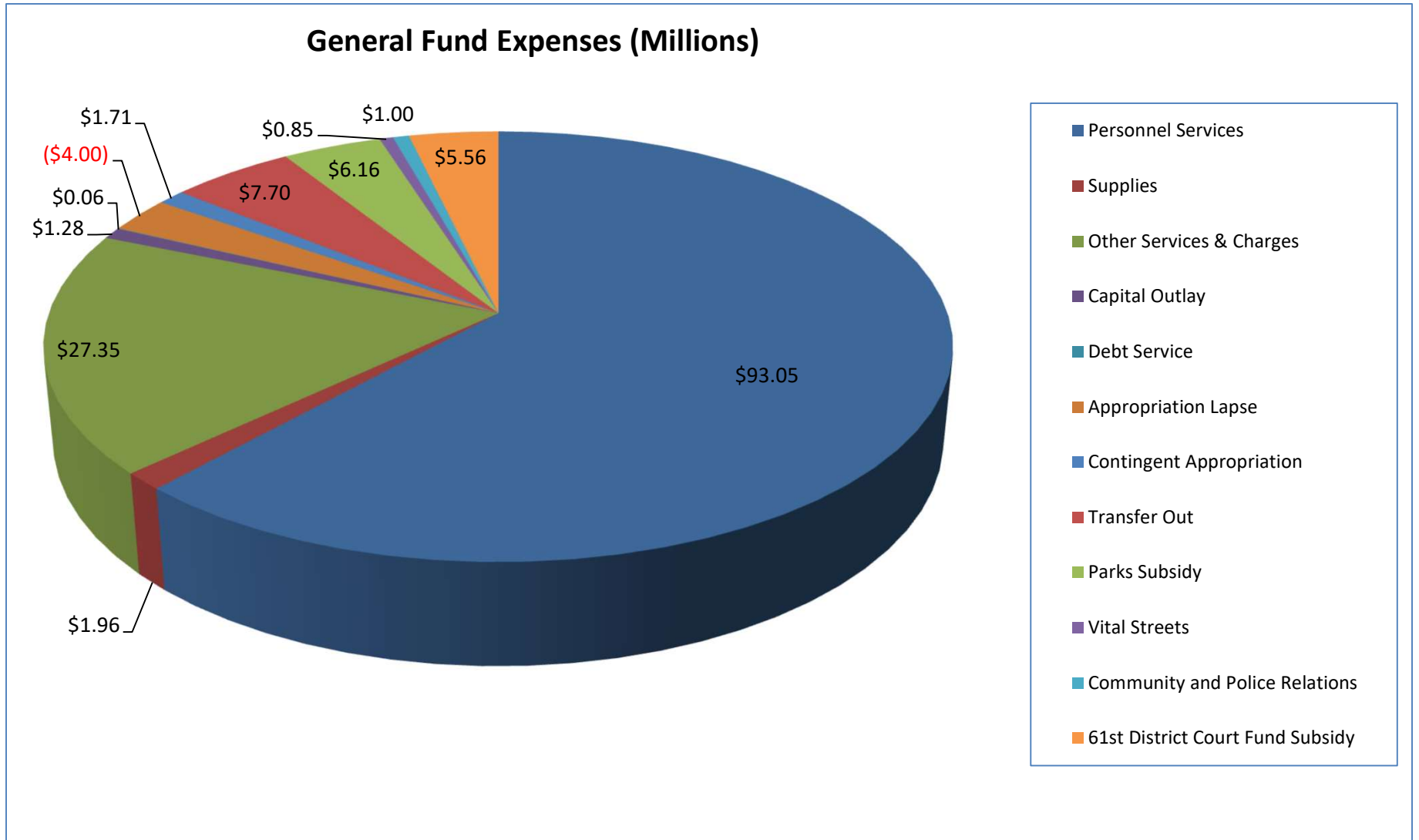
GOF Revenues



Citywide Expenses by Function/Department

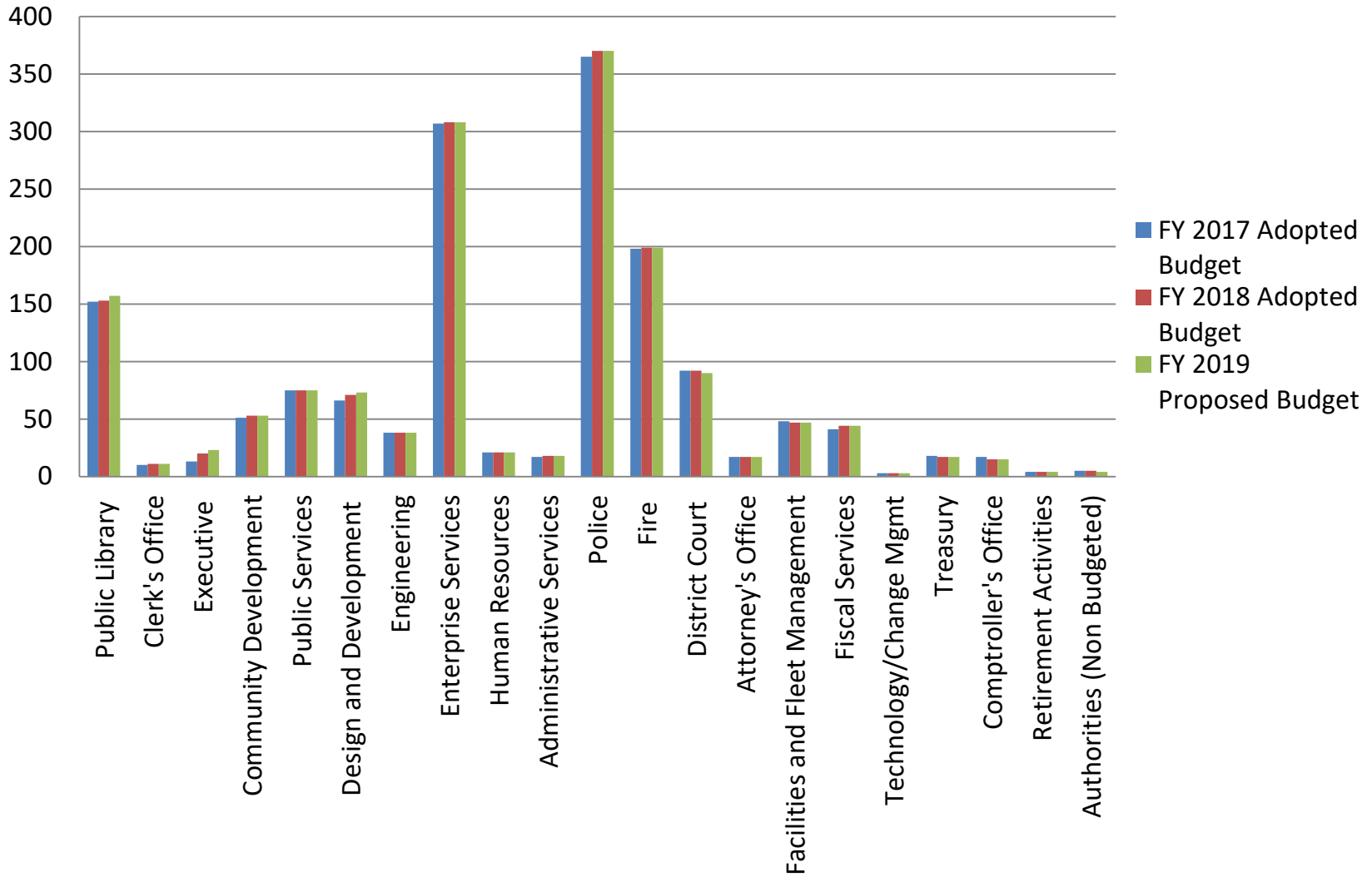


General Fund Expenses by Category



Citywide Employment

Positions by Department



CITY COMMISSION

Rosalynn Bliss
Mayor

Jon O'Connor
First Ward Commissioner

Kurt Reppart
First Ward Commissioner

Ruth Kelly
Second Ward Commissioner

Joseph Jones
Second Ward Commissioner

Nathaniel Moody
Third Ward Commissioner

Senita Lenear
Third Ward Commissioner

CITY OFFICIALS

Mark Washington
City Manager

John Globensky
City Treasurer

Joel Hondorp
City Clerk

Anita Hitchcock
City Attorney

Sarah VanderWerff
City Comptroller

For More Information

Visit the City on the web:
www.grandrapidsmi.gov

The City's website is your source for information about City policies, services, commission meetings and events 24 hours a day, seven days a week.

Residents can take advantage of our online services:

- Download agendas and meeting minutes
- View our progress at MyGRCity Dashboard
- Find parks and download reservation forms
- Download City financial reports
- Search the municipal code
- Report a problem or request a service
- Pay parking tickets and utility bills

Form of Government

The City of Grand Rapids operates a City Commission – City Manager form of government. Working as a consensus, the Mayor and City Commissioners are responsible for establishing city policy and providing direction to the City Manager. The City Commission appoints the City officials above with the exception of the elected City Comptroller.



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